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## Hospitality Properties Trust Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) And our first question is from Nap Overton, Morgan Keegan.

#### Nap Overton – Morgan Keegan

Good morning. So on one specific portfolio, the Marriott No. 2, has Residence Inns, that I believe expires at the end of 2010 and you've received notice that that will not be renewed. The question is, are those Gen 1 Residence Inns and what are your plans for that group of properties?

#### John Murray

Thanks for the question. Those are not Gen 1 Residence Inns. We don't have any Gen 1 Residence Inns. I believe our oldest Residence Inns are Gen 4 [ph]. Our current expectation obviously it's couple of years away, but our current expectation is that we would set up a TRS to become the tenant on that portfolio and we would have a management agreement – management relationship directly with Marriott International. It's an existing management contract on that portfolio that runs I think until 2019. So the owner's priority in a lot of those features would remain unchanged.

#### Nap Overton – Morgan Keegan

Okay. And then did you say there were two or three of the Marriott portfolios under which the recent payments had fell short of the base minimum rent?

#### John Murray

There are currently two portfolios, the Marriott No. 3 and Marriott No. 4 portfolio were we received payments equal to the expected cash flow for the Marriott's four week period, rather than the contractual amount.

#### Nap Overton – Morgan Keegan

Okay. And did you make an additional comment about the agreement No. 10? Or did I misunderstand that?

#### John Murray

I think you misunderstood.

#### Nap Overton – Morgan Keegan

Okay, all right. And then do know how much funding to TravelCenters of America do you expect to fund in 2009?

**Mark Kleifges**

Nap, this is Mark. There is about \$16.5 million, \$17 million of funding obligations that remain under the initial \$125 million we committed to TA. And my best guess is that we will make that funding in 2009. Other than that I'm not currently expecting any additional funding.

**Nap Overton – Morgan Keegan**

Okay, all right. And then based on your taxable income, or reasonable estimate of that what kind of flexibility, do you think you have in terms of the dividend payment to be able to maintain REIT status, if the Board were to decide to reduce the dividend.

**Mark Kleifges**

Well, Nap, it's difficult to give guidance on taxable income without giving earnings guidance. So, I guess all I can do is point you to last year's dividend allocation for tax purposes and about 86% of last year's dividend was ordinary income with the remaining 14% return to capital. So that will give you a snapshot of how much flexibility we would have had last year and then you can work from there with your current earnings model to figure out how much flexibility we may have this year.

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